

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 24, 2003

FROM: **DAVID H. SLAUGHTER**, Director
Real Estate Services Department

ROBERT L. MCKERNAN, Director
County Museum

SUBJECT: **LEASE AMENDMENT WITH RENAISSANCE HEALTH SYSTEM, LLC**

RECOMMENDATION: Approve Amendment No. 3 to Lease Agreement No. 00-523 with Renaissance Health System, LLC to extend the term through June 30, 2004 for 1,357 square feet of office space in Redlands for the San Bernardino County Museum (Museum) in the amount of \$21,984.

BACKGROUND INFORMATION: On June 27, 2000, the Board approved a one-year lease agreement (No. 00-523) with one one-year option to extend for 1,357 square feet of office space at 2048 Orange Tree Lane in Redlands. The original term of the lease was July 1, 2000 through June 30, 2001. On June 12, 2001, the Board approved Amendment No. 1, which exercised the one one-year option to extend the term to June 30, 2002. On June 25, 2002, the Board approved Amendment No. 2, which extended the term through June 30, 2003 and provided two additional one-year options to extend the term.

The Museum requested the Real Estate Services Department (RES D) exercise the first of two one-year options available to extend the term. The lease is summarized as follows:

Lessor:	Renaissance Health System, LLC (Alfred Pragasan, member)		
Location:	2048 Orange Tree Lane in Redlands		
Size:	1,357 square feet		
Term:	One year		
Options:	One one-year option to extend the term is still available		
Rent:	<u>Cost per sq. ft. per month</u> \$1.35* (no change)	<u>Monthly</u> \$1,832	<u>Annual</u> \$21,984

*Mid range for the Redlands area

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Improvement costs: None

Custodial: Provided by lessor

Maintenance: Provided by lessor

Utilities: Provided by lessor

Right to Terminate: County has the right to terminate with 90-days notice

Parking: Sufficient for County needs

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Rex Hinesley, Chief Deputy County Counsel) on May 20, 2003; Museum (Laurie Rozko, Deputy Director) on June 11, 2003; and the County Administrative Office (Daniel R. Kopp and Tom Forster, Administrative Analysts) on June 16, 2003.

FINANCIAL IMPACT: The total cost of this one-year amendment is \$21,984. Payments will be made from the Rents budget (AAA RNT) and reimbursed from the Museum budget (AAA CCM). Sufficient appropriation has been included in the 2003-04 budget for both budget units.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's and RESD's proposal, and recommends this action based on the Museum's continuing need for space in the Redland's area. The lease cost is included in the Museum budget and will not require additional local cost. The lease can be terminated with 90-days notice. Consolidation of this space with other existing space has been explored and no feasible opportunity exists at this time.

SUPERVISORIAL DISTRICTS: Third

PRESENTER: David H. Slaughter, Director, 7-7813

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